FILED September 15, 2009 CLERK, U.S. BANKRUPTCY COURT EASTERN DISTRICT OF CALIFORNIA 0002088691

- 1					0002088691				
1 2	DENNIS M. CAMPOS, SBN 050234 GOLDSBERRY, FREEMAN & GUZMAN, L 777 12 th Street, Suite 250	LP				-			
3	7/7 12" Street, Suite 250 Sacramento, CA 95814 Telephone: (916) 448-0448								
4	Attorneys for Creditor GLENN GROWERS								
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6	·								
7	IN THE UNITED STAT	ES I	BANKRUPTO	CY COUI	RT				
8	FOR EASTERN DISTRICT O	F C	ALIFORNIA ((SACRA	MENTO)				
9									
10	In re)	Chapter 7 Case No. 09	_33765_	∆_7				
11	California Storage Construction, Inc.,	{	DC No. DM	C-1	PPORT OF MOTION				
12	Debtor.	{			FING STAY				
13		{	Date: Time:	10/26/09 9:00 a.n					
14)	Dept: Judge:	7th Floo	n. or, Ctrm 28 lichael J. McManus				
15		_ /	Juuge.	HUM. IVA	genaer of Pricivianus				
16	I, DENNIS M. CAMPOS, declare:								
17	I am an attorney licensed to practice in	the	State of Calife	ornia and	in the United States				
18	District Court, Eastern District of California.	I rep	resent GLENI	N GROW	ERS in a lawsuit that is				
19	pending in Glenn County Superior Court, Case No. 07CV00516. Attached hereto as Exhibit A is								
20	a copy of the Cross-Complaint filed on behalf of GLENN GROWERS.								
21	In that lawsuit, GLENN GROWERS seeks to recover damages from CALIFORNIA								
22	STORAGE CONSTRUCTION, INC. and other parties. The lawsuit arises from the construction								
23	of three (3) grain storage bin silos which sunk and tilted and damaged and destroyed all of the								
24	mechanical systems attached thereto. The amount in controversy is in excess of Two Million								
25	Dollars (\$2,000,000.00). Attached hereto as Exhibit B is a copy of Notice of Bankruptcy								
26	purportedly filed on behalf of CALIFORNIA STORAGE CONSTRUCTION, INC. in the Glenn								
27	County Superior Court action which was misdirected to my old law firm despite the filing of a								
28	Substitution of Attorneys in the Glenn County action and provided to me by counsel for one of the								

AFFIDAVIT IN SUPPORT OF MOTION FOR ORDER LIFTING STAY

other parties to the Glenn County litigation. It is respectfully requested that this Court lift the Automatic Stay Order so that GLENN GROWERS can proceed in the Glenn County Superior Court action to sever CALIFORNIA CONSTRUCTION, INC., and then proceed on its Cross-Complaint as to the other parties in that lawsuit. There would be no further action as to CALIFORNIA STORAGE CONSTRUCTION, INC. pending further order of this Court. Executed on September <u>15</u>, 2009, at Sacramento, California. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

CONFORMED TINA M. BURKHART DENNIS M. CAMPOS (SBN 050234) Ţ OCT 0 9 2007 RIEGELS CAMPOS & KENYON LLP 2500 Venture Oaks Way, Suite 220 2 CEO/CLERK OF THE SUPERIOR COURT Sacramento, CA 95833 NORMA RAYGOZA Telephone: (916) 779-7100 3 4 Attorneys for Defendant and Cross-Complainant GLENN GROWERS 5 6 7 CONSOLIDATED SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 IN AND FOR THE COUNTY OF GLENN 9 CALIFORNIA STORAGE CONSTRUCTION, No. 07CV00516 10 CALIFORNIA STORAGE CONSTRUCTION, INC., individually and dba VALLEY 11 FABRICATING & STEEL and VALLEY FABRICATING, INC. 12 Plaintiff, 13 CROSS-COMPLAINT FOR 14 VS. DAMAGES: GLENN GROWERS, a California corporation; 15 BREACH OF CONTRACT and DOES 1 through 20, inclusive 16 NEGLIGENCE Defendant and Cross-Complainant. 17 PROFESSIONAL NEGLIGENCE 18 19 GLENN GROWERS, a California corporation; 20 Cross-Complainant 21 22 VS. CALIFORNIA STORAGE CONSTRUCTION, 23 INC., CALIFORNIA STORAGE CONSTRUCTION, INC., dba VALLEY 24 FABRICATING & STEEL, VALLEY FABRICATING, INC., TABOR 25 CONSULTANTS and DOES 1 through 20, inclusive, 26 Cross-Defendants. 27 28 -1-CR1EGELS Campos & CROSS-COMPLAINT FOR DAMAGES

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Cross-Complainant alleges:

FIRST CAUSE OF ACTION

BREACH OF CONTRACT

- Cross-Complainant is a corporation organized and existing under the laws of the State of California with its principal place of business in the County of Glenn, State of California.
- 2. The true names and capacities of Cross-Defendants named herein as Does 1 through 20, inclusive, are unknown to Cross-Complainant who, therefore, sues these Cross-Defendants pursuant to the provisions of Code of Civil Procedure §474 by such fictitious names. Cross-Complainant will amend this Cross-Complaint to allege true names and capacities when the same have been ascertained. Cross-Complainant is informed and believes, and thereon alleges, that each of the fictitiously named Cross-Defendants is legally responsible for the acts and occurrences herein alleged and that the damages claimed were the legal result of such actionable conduct of each Cross-Defendant.
- 3. Cross-Complainant is informed and believes, and thereon alleges, that at all times herein mentioned, each Cross-Defendant was the agent, employee or joint venturer of the other Cross-Defendants, and in doing the things alleged, was acting within the course and scope of such agency, employment or joint venture. Each Cross-Defendant has authorized, ratified and approved the acts of each remaining Cross-Defendant.
- 4. During the times mentioned herein, Cross-Defendants were doing business in the State of California, including the County of Glenn.
- 5. On or about February 22, 2005, Cross-Complainant and Cross-Defendant, CALIFORNIA STORAGE CONSTRUCTION, INC., entered into a written contract pursuant to which CALIFORNIA STORAGE CONSTRUCTION, INC., as contractor, undertook to furnish all labor and materials to construct and complete in a good, workmanlike and substantial manner concrete slip form silos and other related equipment as set forth in **Exhibit**

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1, which is attached hereto and incorporated by reference, which contract was entered into in Glenn County, the terms of which were to be performed in Glenn County, on and at property located in Glenn County.

- 6. By said contract, Cross-Defendants undertook the duty and obligation to careful examine and ascertain the nature and location of the project; the condition of the ground on which the project was to be erected; the character, quality and quantity of the materials, equipment and facilities necessary to complete the project; and all other matters that in any way could affect the performance of the contract by Cross-Defendants.
- 7. Complainant has performed all conditions and promises under the agreement on its part except as to matters excused from performance as a result of breach of contract and other actionable conduct of Cross-Defendants and each of them.
- 8. Cross-Defendant California Storage Construction, Inc., and remaining Cross-Defendants acting in concert have breached the contract because they failed to furnish all labor and materials to construct and complete in a good, workmanlike and substantial manner concrete slip formed silos and other related equipment and failed to have the project ready to receive and store rice by no later than August 31, 2005.
- 9. Cross-Defendant, California Storage Construction, Inc., and the remaining Cross-Defendants acting in concert breached the obligation to carefully examine the nature and location of the project; the condition of the ground on which the project was to be erected; the character, quality and quantity of the materials, equipment and facilities necessary to complete the project; the general and local conditions pertaining to the project; and all other matters that would in any way affect the performance of the contract.
- 10. As the result of the acts and omissions of Cross-Defendants, Cross-Complainant has been damaged by the failure of Cross-Defendants to timely complete and present the project for use and by the failure by Cross-Defendants to construct and complete in a good, workmanlike or substantial manner the concrete silos and equipment related thereto. The structures have sunk and tilted and the mechanical equipment thereto deformed, detached and was rendered inoperable.

- Despite the reasonable efforts of Cross-Complainant to mitigate its damages, 11. Cross-Complainant has sustained damages as the legal result of breach of contract by crossdefendants in an amount not yet ascertained but continuing to increase and in a minimum amount in excess of \$1-million.
 - Cross-Complainant is entitled to recover its attorneys fees and costs herein. 12.

SECOND CAUSE OF ACTION

BREACH OF CONTRACT

- Cross-Complainant incorporates by reference all allegations in Paragraph 1 13. through 12 of the Cross-Complaint set forth above.
- On or about February 22, 2005, Cross-Complainant and Cross-Defendants, 14. California Storage Construction, Inc., dba Valley Fabricating & Steel and Valley Fabricating, Inc., entered into a written contract for fabrication and installation in a good, workmanlike and substantial manner the equipment related to the new concrete silos to be constructed by California Storage Construction, Inc., as set forth in Exhibit 2 attached hereto and incorporated by reference, which contract was entered into in Glenn County, to be performed in Glenn County on property located in Glenn County.
- By this contract, Cross-Defendants undertook by careful examination to 15. ascertain: The nature and location of the project; the condition of the ground on which the project was to be erected; the character, quality and quantity of the materials, equipment and facilities necessary to complete the project; the general and local conditions pertaining to the project, and all other matters that in any way could affect the performance of the contract by Cross-Defendants.
- Cross-Complainants have performed all conditions, covenants and promises 16. under this written contract except those excused because of the breach of contract and violation of legal duties by Cross-Defendants.
- Cross-Defendant Valley Fabricating and Steel, Cross-Defendant Valley 17. Fabricating, Inc., and remaining Cross-Defendants acting in concert breached the contract by having failed to furnish all labor and materials for construction and completion in a good,

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workmanlike and substantial manner, equipment related to the new concrete silos identified above.

- Fabricating Inc., and remaining Cross-Defendants acting in concert breached their obligation to carefully examine the nature and location of the project; the condition of the ground on which the project was to be erected; the character, quality and quantity of the materials, equipment and facilities necessary to complete the project; the general and local conditions pertaining to the project; and all other matters that would in any way affect the performance of the contract.
- 19. As the result of the acts and omission of Cross-Defendants in breaching contractual and other legal obligations, Cross-Complainant has been damaged by the failure of Cross-Defendants to timely complete and present the project for use and by the failure of Cross-Defendants to install in a good, workmanlike or substantial manner equipment relating to the concrete silos.
- 20. Despite its reasonable efforts to mitigate damages, Cross-Complainant has sustained damages as the legal result of breach of contract and violation of other legal duties by Cross-Defendants in an amount not yet ascertained but continuing to increase and in a minimum amount in excess of \$1-million.
 - Cross-Complainant is entitled to attorneys fees and costs.

THIRD CAUSE OF ACTION

NEGLIGENCE

- 22. Cross-Complainant incorporates by reference the allegations set forth in Paragraph 1 through 21 above.
- In establishing the relationship with Cross-Complainant, Cross-Defendants undertook a legal duty to perform their obligations in conformance with the standard of care imposed by law.

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- 24. Cross-Defendants negligently and wrongfully performed their activities such that the concrete grand silos experienced subsidence and tilting and the mechanical equipment attached thereto became inoperable.
- 25. As the legal result of negligence and otherwise actionable conduct of Cross-Defendants, Plaintiff has been damaged by loss of use of the silos, costs incurred in investigating and in attempting to mitigate damages, attorneys fees defending against this spurious complaint filed on behalf of Plaintiffs, and prosecuting a Cross-Complaint for damages in amounts not yet ascertained but all of which are in excess of \$1-million.

FOURTH CAUSE OF ACTION PROFESSIONAL NEGLIGENCE

- 26. Cross-Complainant incorporates the allegations set forth in Paragraphs 1 through 25 set forth above.
- 27. Cross-Defendant TABOR CONSULTANTS holds itself out as an entity with engineers and geologists providing geotechnical engineering services, site review, soils testing and grading observation.
- 28. Cross-Defendant TABOR CONSULTANTS undertook to provide professional services to carefully examine and ascertain the nature and location of the project; the condition of the ground on which the project was to be erected; the character, quality and quantity of the soil; the general and local soil and geotechnic conditions pertaining to the project; and other matters that would affect the construction and performance of the project.
- 29. Cross-Defendants and each of them undertook their obligations solely because of the results of their examination of these matters and not because of any representation pertaining to the project or completion of the project made by Cross-Complainant or any agent of Cross-Complainant.
- 30. Cross-Complainant paid TABOR CONSULTANTS directly for its professional services.
- 31. Cross-Defendant, TABOR CONSULTANTS negligently and wrongfully discharged its obligations and failed to reasonably investigate and provide recommendations

***	concerning the subject project, failed to comply with the applicable standard of care, and									
2	thereby caused damages to Cross-Complainant in an amount not yet ascertained but in excess									
3	of \$1-million and increasing.									
. 4	WHEREFORE, Cross-Complainant prays for judgment on each cause of action as									
5	follows:									
6	1. Damages according to proof in excess of \$1-million;									
7	2. Damages for loss of use and loss profits;									
8	3. Reimbursement for costs incurred in attempting to mitigate damages according to									
9	proof;									
10	4. Attorneys fees;									
11	5. Interest on damages experienced by Cross-Complainant at the legal rate from the									
12	time of breach of contract and continuing;									
13	6. Costs of suit.									
14	7. For such other relief as the Court deems proper.									
15	TO THE POST OF THE									
16	Dated: <u>Potator 5</u> , 2007 RIEGELS CAMPOS & KENYON LLP									
17	By Amis m. Farmare									
18	DENNIS M. CAMPOS/ Attorney for Defendant and									
19	Cross-Complainant									
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28 RIEGELS										
CAMPOS & KENYON LLP	CROSS-COMPLAINT FOR DAMAGES									

PROOF OF SERVICE

2	I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Riegels, Campos & Kenyon, LLP, 2500 Venture Oaks Way, Suite 220, Sacramento, CA 95833. On the date set forth below, I served the following document(s) by the method indicated below:									
5	CROSS-COMPLAINT FOR DAMAGES:									
6	by transmitting via facsimile on this date from fax number (916) 779-7120 the document(s) listed above to the fax number(s) set forth below. The transmission was									
7	completed before 5:00 p.m. and was reported complete and without error. The									
8	transmission report, which is attached to this proof of parties, transmitting fax machine. Service by fax was made by agreement of the parties, confirmed in writing. The transmitting fax machine complies with Cal.R.Ct 2003(3).									
. 9	by placing the document(s) listed above in a sealed envelope with postage thereon fully									
10	prepaid, in the United States mail at Sacramento, California addressed as set form below.									
	correspondence for mailing. Under that practice, it would be deposited with the ordinary course									
12	of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of									
13	deposit for mailing in this Declaration.									
14	by placing the document(s) listed above in a sealed envelope(s) and by causing personal									
15	by placing the document(s) listed above in a sealed chivelope(s) and by educating production delivery of the envelope(s) to the person(s) at the address(es) set forth below. A signed proof of service by the process server or delivery service will be filed shortly.									
16										
17	by placing the document(s) listed above in a sealed envelope(s) and consigning it to an express mail service for guaranteed delivery on the next business day following the date of consignment to the address(es) set forth below. A copy of the consignment slip is									
18	attached to this proof of service.									
19	DAVID J. MURRAY Attorney for Plaintiffs									
20	Law Offices of David J. Murray									
21	Cmco, CA 73720									
22	I declare under penalty of perjury under the laws of the State of California that the									
23	above is true and correct. Executed on October 5, 2007, at Sacramento, California.									
24	ELIZABETH M. SANDOVAL									
25	ELIZABETITIVI. SANDO VILE									
26										
27										
28										
RIEGELS CAMPOS &										
KENYON LLP	Proof of Service									

Number of Pages: 02 Douglas B. Jacobs, 084153 JACOBS, ANDERSON, POTTER & CHAPLIN 20 Independence Circle Chico, CA 959723 Phone: 530-342-6144 Fax: 530-342-6310 Attorney for CALIFORNIA STORAGE 5 CONSTRUCTION, INC. 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 COUNTY OF GLENN 9 Case No: 07CV00516 In re: 10 CALIFORNIA STORAGE CONSTRUCTION, NOTICE OF BANKRUPTCY 11 CALIFORNIA STORAGE CONSTRUCTION. INC., individually and dba VALLEY 12 FABRICATING & STEEL, and VALLEY FABRICATING, INC., 13 14 Plaintiff, 15 GLENN GROWERS, a California Corporation: 16. and DOES 1 through 20, inclusive, 17 Defendant and Cross 18 Complainant. 19 AND RELATED CROSS-ACTIONS. 20 21 22 To: The court and the parties herein: 23 NOTICE IS HEREBY GIVEN that defendant CALIFORNIA SORAGE 24 CONRUCTION, INC. has filed a bankruptcy petition in the United States Bankruptcy Court 25 for the Eastern District of California, a copy of page one of the bankruptcy petition is attached 26 hereto as Exhibit A and incorporated herein by this reference, thereby invoking the provisions 27 of the automatic stay under Section 362 of the Bankruptcy code 11 U.S.C.

NOTICE OF BANKRUPTCY - 1

	Number of Pages: 02
1	Debtor's Name: California Storage Construction, Inc.
2	Bankruptcy Case No: 09-33765
3	Date Petition filed: 7/02/09
4	
5	Dated: July 2, 2009
6	Douglas 5 kml
7	Douglas B. Jacobs, attorney for CALIFORNIA STORAGE CONSTRUCTION, INC.
8	STORAGE COASTRUCTION, INC.
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B1 (Official Form 1) (1/08)

United States Bankruptcy Court Eastern District of California								Voluntary Petition				
Name of Debtor (if individual, enter Last, First, Middle): California Storage Construction, Inc.						Name of Joint Debtor (Spouse) (Last, First, Middle):						
All Other Names used by the Debtor in the last 8 years (include married; maiden, and trade names):					All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):							
Last four digit: EIN (if more t	s of Soc. Sec. or It han one, state all):	ndividual-Taxp 68-003845	oayer I.D. (1 51	TIN) No/Complete		Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No/Complete EIN (if more than one, state all):						
2288 Ivy St	of Debtor (No. & reet	Street, City, S	tate & Zip	Code);	Street A	Street Address of Joint Debtor (No. & Street, City, State & Zip Code):						
Chico, CA			ZIP	CODE 95928	- ·			•	Γ	ZIPCODE		
County of Resi Butte	iderice or of the Pr	rincipal Place o			· County o	f Residence	e or of th	e Principal Pla			-	
Mailing Addre	ss of Debtor (if di	fferent from st	reet address	s)	Mailing	Address of	Joint Del	otor (if differer	t from str	et address):		
				CODE		-				ZIPCODE		
	ncipal Assets of E reet, Chico, C		r (it differe	nt from street addres	s above):				_			
	Type of Debt	or			of Business one box.)				nkruptcy	ZIPCODE 95928 Code Under Which		
(Form of Organization) (Check (Check one box.) ☐ Individual (includes Joint Debtors) See Exhibit D on page 2 of this form. ☐ Corporation (includes LLC and LLP) ☐ Partnership ☐ Other (If debtor is not one of the above entities, check this box and state type of entity below.) (Check ☐ Health Care Busine ☐ U.S.C. § 101(51B) ☐ Raikroad ☐ Stockbroker ☐ Commodity Broker ☐ Clearing Bank ☐ Other					ess Estate as defined	in li	Cha	opter 7 opter 11 opter 12 opter 13	tition is Filed (Check one box.) Chapter 15 Petition for Recognition of a Foreign Main Proceeding Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box.)			
					ed States Code	applicable.) § 101(8) as "incurred by an individual primarily for a states Code (the personal, family, or house-						
attach signed is unable to j 3A.	ee attached be paid in installe I application for the pay fee except in i	ie court's cons nstallments. R	able to individeration could be 1006(b)	riduals only). Must artifying that the debi). See Official Form lividuals only). Must	Debtor Check if: Debtor affiliat	is a small is not a sm 's aggrega es are less	nall busin te noncor than \$2,1	ness debtor as o ntingent liquida	ned in 11 t defined in	U.S.C. § 101(51D). 11 U.S.C. § 101(51D). owed to non-insiders or		
☐ Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. Check all applicable boxes: ☐ A plan is being filed with this petition ☐ Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).												
Debtor estin		vill be available ny exempt proj		ution to unsecured c luded and administra		aid, there v	will be no	funds availab	le for	THIS SPACE IS FOR COURT USE ONLY		
	ber of Creditors		···-··	-		•				1		
2 □ -49 50-99	100-199	200-999	1,000- 5,000	5,001- 10,000	10,001- 25,000	25,003- 50,000		50,001- 100,000	Over 100,060			
stimated Asset									,	1		
Z □ 0 to \$50,00 50,000 \$100,0		\$500,001 to \$1 million	\$1,000,00 \$1,000,00 \$10 millio	1 to \$10,000,001 in to \$50 million	\$50,000,001 to \$100 million		100,00	\$500,000,001 to \$1 billion	More t	2009-3376 FILED		
stimated Liabil	ities 12 01 to \$100,001 to	D ·		□ 1 to \$10,000,001	\$50,000,001 to	□ \$100,00	0,001	\$500,000,001 to \$1 billion	☐ More t	July 02, 20 8:05 AM RELIEF ORDER CLERK, U.S. BANKRUPTO	RED.	

Re: <u>CALIFORNIA STORAGE CONSTRUCTION, et al. v. GLENN GROWERS, et al.</u>
Case No: 07CV00516 PROOF OF SERVICE
TROOF OF SERVICE
I am a citizen of the United States and a resident of the County of Butte. I am
over the age of 18 years and not a party to the within action; my business address is 20
Independence Circle, Chico, CA 95973. On this date, July 2, 2009, I served the foregoing document(s) described as:
loregoing document(s) described as.
Notice of Bankruptcy
Exhibit "A"
on the parties below by placing a true copy thereof in a sealed envelope and served
same on the parties/counsel, addressed as follows:
HANSON, BRIDGETT, MARCUS, VLAHOS & RUDY, LLP
425 Market Street, 26th Floor
San Francisco, CA 94105
RIEGELS CAMPOS & KENYON LLP
2500 Venture Oaks Way, Suite 220 Sacramento, CA 95833
Sacramento, CA 50000
The following is the procedure in which service of the document was effected:
X U.S. Postal Service (placing such envelope(s) with postage thereon fully
prepaid in the designated area for outgoing mail in accordance with this
office's practice, whereby the mail is deposited in the U.S. mailbox in the
City of Chico, California before the close of the day's business).
Federal Express
U.P.S. Next Day Air
FAX
Personal Service
I declare under penalty of perjury that the foregoing is true and correct and this
document is executed at Chico, California on July 2, 2009.
Grabette Culphill
Bridgette Campbell
Proof of Service - 1